

Region VII News

Informing Kansans, Nebraskans, Missourians and Iowans

A Message from Region VII Administrator Sam Jones



Financing the SBA 504 Way for Business Growth

The biggest challenge you will face as a business owner next to starting your own business is taking it to the next level.

By now you are probably a seasoned entrepreneur, who has successfully navigated around the pitfalls that cause early business failure; you're ready to grow, and financing again is an issue.

Enter the SBA 504 loan program, especially designed to help small businesses at this juncture.

Also called the Certified Development Company/504 Program, this is a long-term financing tool for economic development within a community. It provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land, buildings and machinery and equipment.

CDCs are nonprofit corporations set up to contribute to the economic development of their communities. They work with the SBA and private-sector lenders to provide financing to small businesses. There are about 270 CDCs nationwide. Each CDC covers a specific geographic area.

Most companies that qualify as small businesses can qualify for a CDC/504 loan. Companies must meet specific SBA size standards: they must not have a tangible net worth of more than \$7 million, and not have an average net income of more than \$2.5 million after taxes for the two preceding years.

A 504 project has three components. First, a direct commercial loan is made from the private sector covering 50 percent of the project, and secured by a senior lien. Second, another loan is secured with a junior lien from the CDC covering up to 40 percent of the cost (backed 100 percent by an SBA-guaranteed debenture.) Finally, your business must make a contribution of at least 10 percent its equity.

This type of SBA loan has some specific requirements that businesses have to meet in order to qualify: they have to meet job creation criteria or a community development goal, and public policy goals.

The maximum SBA portion is \$1,500,000 for meeting the job creation criteria or a community development goal. Generally, a business must create or retain one job for every \$50,000 provided by the SBA.

The maximum SBA debenture is \$2 million for meeting a public policy goal. The public policy goals are as follows:

- Business district revitalization
- Expansion of exports
- Expansion of minority business development
- Rural development
- Enhanced economic competition
- Restructuring because of federally mandated standards or policies
- Changes necessitated by federal budget cutbacks
- Expansion of small business concerns owned and controlled by veterans
- Expansion of small business concerns

(Continued on next page...)



U.S. Small Business Administration

REGION VII SMALL BUSINESS 2006 AWARD WINNERS!

IN THIS ISSUE

U.S. Small Business Administration

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St. Louis, MO
(314) 539-6600

Des Moines, IA
(515) 284-4422
Cedar Rapids, IA Branch
(319) 362-6405

Omaha, NE
(402) 221-4691

Wichita, KS
(316) 269-6273

*All of the SBA programs and services are
provided to the public on a non-
discriminatory basis.*

New provisions signed into law in December 2004 created a new category of 504 loans to “small manufacturers”, with a maximum SBA guarantee of \$4 million. The criteria to qualify for these loans include: creation or retention of at least 1 job per \$100,000 guaranteed by the SBA, and that all production facilities be located in the United States.

Growing your business may, and usually does, involve spending in several different areas. Funds under the 504 program, however, can only be used for fixed asset projects such as: purchasing land and improvements, including existing buildings, grading, street improvements, utilities, parking lots and landscaping; construction of new facilities, or modernizing, renovating or converting existing facilities; or purchasing long-term machinery and equipment.

The 504 Program cannot be used for working capital or inventory, consolidating or repaying debt, or refinancing.

As with the SBA’s more widely known loan guaranty program, 504 loans are designed to help the small business owner be successful. Interest rates on 504 loans are pegged to an increment above the current market rate for five-year and 10-year U.S. Treasury issues. Maturities of 10 and 20 years are available. Fees of approximately 3 percent of the debenture may be financed with the loan. For more information about SBA programs and services, visit www.sba.gov.

Sam Jones

2006 Small Business QUIZ

**What Do These Furry Pets Have in Common...?
And What Do They Have to Do With Small Business??**



(see answer next page...)

Answer: They're fed by an SBA National Winner!

2006 Champion Exporter of the Year



Oxbow Pet Products

Murdock, Nebraska – John Miller, Owner

Specialty Feeds for Small Exotic Pets

Oxbow Pet Products is a worldwide supplier of premium life-staged feeds and supportive care products for small, exotic animals. Used and recommended by top exotic animal veterinarians worldwide, the company offers an extensive line of superior quality, high-fiber hay and pellet products for rabbits, guinea pigs, chinchillas, prairie dogs and adult pet rats.

People all around the world choose Oxbow for their pets. If you are looking for a store or distributor outside the United States, select your flag below for information on how you can purchase the products or contact Oxbow's International Sales Team: international@oxbowhay.com.



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More about the 2006 Region 7 SBA Small Business Exporter of the Year and why he won the SBA National Champion Award...

John Miller
President
Oxbow Pet Products
Murdock, NE 68407

*Nominated by: Desarae Mueller-Fichpain, Omaha Center Director
Nebraska Small Business Development Center, Omaha, Nebraska*

John Miller's innovation has provided a way to keep the picturesque, rolling hills of farmland where he and generations of his family have lived productive for him, his community, and pet owners worldwide. John looked for a value-added product he could grow to increase sagging farm revenues in the 1980's, when many family farms were sold off to the highest bidder. He started by producing commercial, high-end, premium hay for high producing milk cows and fancy horses in 1980, and added grass and hay-based pet products for small herbivores in 1993. Today, his range of about 20 food products he manufactures for pet rabbits, guinea pigs, chinchillas and other small herbivores are veterinary recommended, the Oxbow brand awareness among pet industry experts is high, and so are sales – in both the United States and 22 countries across the world.

Miller's Oxbow Pet Products, located near the tiny town of Murdock, Nebraska, started in a garage on his farm in the early 1990's, manned only by family members. In 1997, the company hired its first part-time employee, started exporting to its first international customer, Japan, in 1998, and today employs 43 full-time workers with a payroll of over \$1.2 million. Sales have grown by more than 30% each year for the last several years as the company has expanded exporting to 22 countries. Exports now account for more than 20% of Oxbow's gross sales of \$5 million in annual revenue.

Miller speaks to numerous Nebraska-based groups about entrepreneurship and exporting, never missing an opportunity to instill the concept that the "world" is now their marketplace. In addition, John worked with

the Nebraska Alfalfa Marketing Association to pursue the possibility of shipping alfalfa to dairies in Mexico, and his company arranged for a LEAD group visiting China to meet and dine with the company's Hong Kong distributor to learn about the challenges of exporting there. Miller himself has turned to several government funded programs and agencies for help in exporting, using the services of the Foreign Agricultural Service, the Mid-America International Agri-Trade Council, the Department of Commerce's Export Assistance and Branded Program and others.

Listening to customers, distributors and veterinarians has been Miller's strategy in overcoming exporting challenges and in developing new products. The company's range of dietary supplements produced from hay, timothy grass, orchard grass, brome, oat hay and alfalfa, include *Critical Care*, a product which has set the world's standard for syringe feeding of convalescent pet herbivores and 10 other products new to the market.

Truly caring about the land and animals has served as Miller's basis for the creation of Oxbow Academy, an educational program for pet owners, veterinarians, pet store owners and Oxbow product distributors. The company's website not only serves as a resource for small animal care, it enables company representatives to talk to guinea pig clubs in Sweden and rabbit rescue groups in Singapore. Because of the company's innovation, commitment to quality, and marketing strategy of including top veterinarians across the world as its advisers, the niche pet food industry is now following the lead of this small Nebraska business.

Missouri Small Business Person Of The Year 2006

Robert “Leroy” Shatto Shatto Farms, Inc. dba Shatto Milk Company Osborn, Missouri



Selling milk has been a serious, life-supporting business for the Shatto family for generations – almost two centuries to be exact. So the challenge of keeping their small, rural dairy farm open and profitable enough to operate had to change – just as the dairy industry changed over the last two decades. This presented a great challenge for Robert “Leroy” Shatto.

You see, he married into a family that had begun milking Holsteins in the 1800's and certainly the family farm couldn't go under on his watch. It was almost unthinkable. So he sought help. He dreamed. He embraced new ideas, new equipment and growth. He was willing to make changes. Through his perseverance, he not only “saved” the family dairy farm but restored its profitability – an almost unaccomplishable feat for a dairy of its size.

The Winstead family first began milking long before America had heard of pasteurization, homogenization, molded plastic containers or supermarkets. Nor were commercial trucking lines, electric refrigeration, or growth hormones for cattle used. But all these advancements changed the dairy industry in ways that make it nearly impossible for a small dairy to survive. Still, today, at its original location about 30 miles north of metropolitan Kansas City, Missouri's Shatto Milk Company does indeed continue to operate as a small dairy farm. And today, it's profitable.



For years Leroy would rise at 4 a.m., cross the highway from home and start milking the cows. It was normal for him to milk his 80-head herd every twelve hours to produce 150,000 pounds of milk a month.

The raw milk was sold by the hundred weights to a dairy cooperative in Kansas City, who would sell it to processors for bottled milk, yogurt, ice cream, and the manufacture of other dairy products. As time passed, the dairy industry began to change. Finally, the price for raw milk began to dwindle, and small milking operations became unprofitable.

In order to save his family's farm, Leroy called out for help. Surely there was some way to produce great-tasting milk that families would buy. He contacted the United States Department of Agriculture (USDA), who supplied him with information about possible grants for a marketing study. He applied for and received two USDA two grants - one for a feasibility study and one for the development of a business plan.

Leroy began to hope. He contacted the Kansas City chapter of SCORE – America's Small Business Counselors, and explained his situation. The SCORE staff was very supportive and researched the marketing data to provide Leroy with a real feasibility study and a realistic business plan. And rather than being told to give it up, Leroy was counseled to expand the business by building a processing facility next to his existing milking parlor and develop a natural, niche product supported by his dairy herd – raw milk. They believed his dream to bottle raw milk for wholesale to

the grocers – milk from cows which had never been injected with growth hormones - was not only viable but vital to the continuation of Shatto Farms, Inc., as a whole.

Leroy began a search for financing. After being turned down by multiple bankers and the Farm Credit Services, Leroy's hope began to fade. Then, on another suggestion, Leroy called the MO-KAN Development Company in St. Joseph, Missouri.

SBA backed 504 Loan and a Revolving Line of Credit. With the use of the proceeds from these loans, Shatto Milk processed its first batch of milk on June 7, 2003. Business took off! Advertisers began to call to see the operation, and provided FREE advertising. Shatto Farms, Inc. and Shatto Milk Company were featured in nearly every newspaper and agricultural magazine distributed in the northern half of Missouri. Grocery and convenience store owners called nearly every week wanting to add Shatto Milk to their product line. The sales continued to increase.



Leroy began to realize that demand was rapidly outpacing supply. He needed more cows. So, in August, he approached the Citizens Bank of Norborne for a loan to double his herd. Loan officer Mike Craven called Mo-Kan to see if cows could be financed under the SBA 7(a) loan guaranty program and an application was forwarded to SBA and approved for the purchase of 80 breed cows. In September, the same bank financed the purchase of a second, larger delivery truck because one truck could no longer hold all of the orders.

Shatto Milk Company sells only pure milk with no added hormones. Shatto cows are not treated with rbST (recombinant bovine somatotropin) or recombinant bovine growth hormone (rbGH). Shatto bottles all of its products in returnable glass bottles, to keep the milk colder, accentuate its taste, extend its shelf life and satisfy the "recycling" attitude shared by most of the company's customers. Besides, whole, 2% and 1% milk, the company sells flavored milk in chocolate, strawberry and a new taste – root beer. The company also sells half & half, cream, natural juices, and egg nog during the holidays. Tours of the company are enjoyed by many school children and other groups for their educational benefit – to see one of the few transparent milking operations that follows the milk from the cow to the retail sales shelf.



Production has nearly outgrown the company's cooler space today and products are delivered to 56 stores, including Price Chopper, Hy-Vee, Country Mart, and Wild Oats Market groceries and many individually-owned stores. Shatto Farms, Inc., employs 20 full time and part time workers to keep up. Recently, Leroy added the manufacture of butter to its line of products – butter which won a blue ribbon at the 2005 Missouri State Fair. It is no wonder Leroy shares his success with his cows on his website at www.shattomilkcompany.com

About SBA, Leroy says, "It is great that SBA is giving ag a chance because for years you never thought of SBA and ag. Not only ag, but family farms." When talking about his success, he says, "It just never would have happened without Mo-Kan. They even helped me find a lender." About that lender, Leroy says, "Mike is the best lender anyone could have."

*Leroy Shatto says his success and the explosive growth of Shatto Farms is summed up by his dream, also the farm's motto: **"Milk at Its Finest."** Others credit Leroy's willingness to search out an answer to keep a 200 year old family business alive.*



The Iowa Small Business Person of the Year 2006



William R. “Bill” Weidmaier
Iowa-Des Moines Supply, Inc.
Des Moines, Iowa

Bill Weidmaier has always been a success in business, but until 1996, it had always been at someone else's business. Today he owns Iowa-Des Moines Supply, Inc. in Des Moines, Iowa, - a locally-owned success in itself, and helps other Des Moines businesses stay in business and their community grown through his work of conceptualizing and spearheading an national award-winning community buying program.

Iowa-Des Moines Supply, Inc. is a business supply business, itself, so local businesses are important. The company distributes paper and disposables, janitorial and cleaning products, restaurant and hotel supplies; and selling chemical, laundry and dishwashing systems with service, specialty construction supplies, and packaging and industrial products.

Bill Weidmaier, born in 1946, grew up in a middle-class family and lived in several small Iowa communities prior to moving to Des Moines, Iowa in 1957. In 1968, Bill married Linda Schaller, entered the U.S. Army. Returning from military service in Okinawa, Bill worked on completing his college education by attending Grandview Junior College in Des Moines where he received a liberal arts degree during the summer of 1971. Due to his success with the U.S. Army football team, Bill was offered a full athletic scholarship to Drake University, where he graduated in 1973 with a Bachelor of Science degree in Business Administration.

Following graduation, Bill joined a start up company, Crawford & Associates, a mutual fund monitoring company, as Director of Marketing. In 1974, he joined Tension Envelope Corporation as a sales representative. Over the next 9 years, he grew his territory substantially. The company awarded him the Presidents Award for sales achievement in 1979, 1980, and 1982, and Salesman of the Year in 1976 and 1980.

In 1983, Bill moved to Iowa Falls, Iowa, and joined the Boyt Company, a manufacturer of high quality luggage and gun cases, as its Vice President of Sales & Marketing. During Bill's ten years as Vice President, the company grew from two million dollars to eighteen million dollars in sales. In 1992, Bill accepted the position as President of the Company. But through all his years of working for someone else, Bill dreamed of owning his own business and being his own boss. In 1995, Bill resigned his position with the idea of moving back to Des Moines and buying his own business. The

Boyt Company had reached 21 million dollars in sales at the end of his tenure.



For the next nine months, Bill aggressively contacted business brokers, accountants, commercial loan officers, and attorneys as he networked central Iowa. In March 1996, he was introduced to Iowa-Des Moines Supply, Inc. The business had been a fixture in Des Moines since 1937, and was an anomaly in the industry. Most small supply distributors to the foodservice industry either had gone out of business or been bought out by larger regional or national distributors. Owner Nick Mancuso, who's father Peter had started the business in 1937, had the opportunity to sell to larger distributors, but preferred to find someone who would

keep Iowa-Des Moines Supply as an independent business. Though the company's customer base was declining with the influx of regional and national distributorships to the area, Bill believed he

could successfully grow and expand it. He purchased it with a \$496,000 loan guaranteed by the U.S. Small Business Administration, which he has since paid-in-full.

Bill worked hard to reorganize the company to position it to increase business without sacrificing its long-standing reputation for top level customer service. Since 1996, Iowa-Des Moines Supply, with 22 employees, has increased revenues dramatically - with 91 percent growth expected in 2005. The company is currently operating at full capacity, and the next anticipated level of growth will require additional warehouse space, additional trucks, and additional employees.

Bill enjoys involvement in the community and has made significant contributions to various groups and organizations over the years, but perhaps his greatest contribution to the community – in fact, perhaps one of the most significant contributions to small businesses the Greater Des Moines area - has been his involvement in the Greater Des Moines Partnership's Buy Into the Circle campaign.

Alarmed by the number of local business contracts being lost to companies outside the Greater Des Moines area (and in many cases to companies outside the state of Iowa), Bill approached the Greater Des Moines Partnership in 2003 about seeking a solution to this increasingly troubling issue. After researching the situation, the Partnership discovered the Greater Des Moines area was losing \$7.2 billion annually to out of area vendors through business-to-business transactions. The Partnership asked Bill, who had been among the first to bring the problem to their attention, to chair a committee to spearhead the Buy Into the Circle campaign – an effort to encourage Greater Des Moines Area businesses to buy local.



Rolled out in April of 2004, the **Buy Into the Circle** campaign challenged and encouraged local companies to shift just five percent of their current out-of-area purchases back to companies located in the Greater Des Moines area. Research indicated the five percent shift would equal more than \$362 million being returned to the community each year. More than 346 companies have pledged their support to this campaign, so far, returning an estimated \$7.5 million back to the Greater Des Moines area. As this money moves through the community, it multiplies – adding to the local tax base, creating more jobs, and maintaining a more vibrant and healthy business community.

In August of 2004, The American Chamber of Commerce Executives (ACCE) recognized the **Buy Into the Circle** campaign with an Award for Communication Excellence (ACE Award). **Buy Into the Circle** was recognized during the ACCE Annual Convention in August 2005. With this recognition, cities throughout the nation are asking the Greater Des Moines Partnership about how they can implement a similar program in their communities.

Much of the success of the **Buy Into the Circle** campaign can be attributed to Bill's efforts – from asking "What can we do about this issue?" to his efforts to help develop a solution, educate the community, and act as a role model for the program on the Partnership's behalf.

The Kansas Small Business Person of the Year 2006

Joseph Bogner Western Beverage, Inc. Dodge City, Kansas

Established over 45 years ago, Western Beverage, Inc. distributes alcoholic beverages to 32 counties in Western Kansas. With locations in Dodge City and Hays, Kansas, the company employs 54 people and delivers nearly 1,500,000 cases of product annually.

The business was founded in 1960 by Albert Bogner with just one truck, one van, and three employees in Dodge City to sell and deliver 40,000 cases of product to 19 counties in Southwest Kansas.

Joseph began working full time in his father's company on a temporary basis in 1973, after completing his sophomore year at the University of Kansas. Unable to decide upon a major and confused about career plans, he hoped that by returning home and taking some time off from school would enable him to find his direction. He did. After a year of working alongside his father, he returned to college with a plan - to earn a degree in Business Administration, work in the family business after graduation, and one day take over for his father as President and owner. Less than one year later, however, his plan changed dramatically. His father began to experience health problems and at the same time the industry began to undergo significant changes. As the only one of five children interested in managing the company, Joseph once again left college and returned home.

Under Joseph's management, Western Beverage continued to grow in both market area and sales volume. In 1978, the business reached \$1,000,000 in sales for the first time and expanded its existing warehouse facility with the assistance of an SBA 7(a) guaranteed loan. Upon his father's death in 1985, he became sole owner of the business and shortly thereafter, expanded his customer base with the purchase of an existing distributorship in Great Bend, Kansas. In 1990, the company underwent a major physical expansion when a new facility was constructed in Dodge City utilizing SBA's 504 loan program. The company expanded into Northwest Kansas when it purchased an existing distributorship in Hays in 2000.

On February 9, 2002, disaster struck as one of the delivery trucks stored in the warehouse caught fire due to an electrical short. Intense heat in excess of 1,200 degrees resulted in \$1,700,000 in damage to the building and its contents. Competitors geared up to service Western Beverage's customers, assuming the business would be out of operation for an extended period of time. However, due to Joseph's exceptional management in both disaster preparedness and recovery, the company's trucks were back on the road delivering product in only 3 days, resulting in minimal disruption to cash flow.

Presently, Western Beverage operates from a completely restored facility in Dodge City, while also maintaining a warehouse in Hays. Last year it generated sales of \$20,000,000. Patty Richardson, Executive Director of Great Plains Development, Inc., who nominated the company, wrote, "Setting up plans of action and following through are Joe's way of life. He has proven and is continuing to prove that dreams can come true."

Joseph has contributed his time and resources in service to the communities of Western Kansas. In his hometown of Dodge City, he has helped secure grant funding for the Boot Hill Museum, assisted the Boot Hill Reparatory Theatre in planning and securing funding for renovation of the Dodge City Depot as its performance facility, and has served as head of the Family Facilities Advisory Board. He has assisted smaller communities in establishing and maintaining hospitals, senior centers, and retirement villages.

The Nebraska Small Business Person of the Year 2006

Ervin Eisenmenger West Point Implement & West Point Design West Point, Nebraska

Ervin Eisenmenger represents the true entrepreneurial spirit by buying or starting businesses to meet other business owners need and making them successful – about one every 20 years...however he's recently picking up the pace.

In 1973, Ervin and his wife were invited to move to West Point, Nebraska, to help manage Sands-Hucka Implement, a forerunner of West Point Implement. Ervin became one of three partners. In 1977, he bought out one and in 1982 started a contract buyout of the other, completing it in 1992.

Ervin is President and CEO of two companies in West Point, Nebraska - West Point Implement Company and another company he started to fill a specific need - West Point Design Company. West Point Implement is a wholesale farm implement dealership featuring in-line Case IH farm equipment along with many short-line equipment product lines. West Point Design Company, started in 1993, manufactures items, including the Spreadall line of manure spreaders, which can be mounted on running gears or trucks to spread up to 22 tons of manure in less than two minutes.

As products moved to the megastore marketing concept, Ervin spotted the trend and new needs. He recently formed a new company as majority owner - E.I.S. Design Company to manufacture cantilevered shelving that can hold up to 5,000 pounds of material. Typical users of this product are the Home Depot, Lowes, and various manufacturers. Today, Ervin is in the process of acquiring another implement dealership, Agco Implement, in Columbus, Nebraska.

Ervin is very clear about the purpose of his companies - to serve production agriculture and satisfy the industry's customers, plain and simple. Ervin's very basic belief is: It is not what you do in life that is important, but how you do it. How a person does what they do is what he believes makes some entrepreneurs successful whether innovating or doing day-to-day business.

Ervin and his managers try to maintain focus on that purpose. Ervin's bottom line goal is that every time customers do business with West Point Implement or West Point Design, their experience is so positive it will ensure their return - again and again.

Region 7 SBA Home-Based Business Champion of the Year

Angela M. Lieb
City of Experts
St. Louis, MO 63146

Nominated by: Debbie Whitlock - Incite Solutions, St. Louis, MO



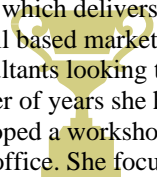
First and foremost, Angela Lieb is an entrepreneur with a passion for creating small businesses and helping small businesses succeed. She has assisted hundreds of businesses, primarily those home-based, with start-up solutions, access to resources, professional business images, connections and coaching.

After 18 years in the Executive Suite/Business center industry as a manager, consultant and owner, Angela devoted seven years to having four children. Being home to raise them and home to manage her household became her priority and while she tried working part-time, she came to realize the costs associated with working outside her home: day care, dry cleaning, lunches, a professional wardrobe, etc., left too little money, time and energy. She decided to work from home, starting a number of businesses.

Today, with her children older, she works at home only part of the time, devoting much of her creativity to several successful

businesses, including City of Experts, which delivers comprehensive Internet and direct mail based marketing services for expert speakers and consultants looking to promote their expertise. Over a number of years she has written columns, consulted and developed a workshop for people who want to organize a home office. She focused her launch of OffiStart Business Centers, a company providing virtual office space to start-up companies, a professional address, and/or telephone answering services, on home-based businesses. She offers some consulting to home-based business owners free of charge, hoping to gain them as customers once they are successful.

Angela has served numerous community and volunteer organizations. In 2003, she was named a Multiple Sclerosis Corporate Achiever. Angela also helped found the Sales Professional Association of St. Louis.



2006 Region 7 SBA Women in Business Champion of the Year

Maryanne T. Preston
Hiring Solutions
Ballwin, MO 63201

Nominated by: Judy Meader, President - St. Louis Small Business Monthly



Besides serving as president of Hiring Solutions, a successful online consulting firm she founded in 1999 to help companies select, hire and retain great employees, Maryanne Preston has started four eWomenNetwork chapters since 2002 in the United States. eWomenNetwork is the largest membership-based professional women's marketing and networking organization in North America and is based on the philosophy of "giving first." Her work has allowed numerous women the opportunity to find quality help from peers who have "been there" and "done that" – on a vast array of topics.

Maryanne is single handed responsible for creating eWomenNetwork chapters in St. Louis; St. Charles, MO; Chicago; and Detroit; she directs a chapter in Indianapolis and recruits and trains managing directors in new markets, including

Kansas City, Boston, Minneapolis, Houston and Naples, Florida. She has achieved this success by providing "Accelerated Networking" events which enable women business owners and professionals to make contacts and was awarded the 2004 eWomenNetwork Managing Director of the Year award for her performance as a "promoter and connector of women."

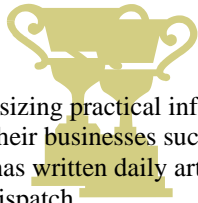
Active in the community, Maryanne is a member of the National Association of Women Business Owners (NAWBO) and serve on their board for two years. Other activities and affiliations include Encouraging, Supporting, Promotion Women (ESPW), memberships in two Chambers of Commerce, keynote speaking, fundraising and publishing articles.



2006 Region 7 SBA Small Business Journalist of the Year

Shera Dalin Business Reporter St. Louis, MO 63101

Nominated by: Jorge Riopedre, CEO, CarisMedia, Inc. - St. Louis, Missouri



Emphasizing practical information entrepreneurs can use to make their businesses successful or to start a company, Shera Dalin has written daily articles for five years for the St. Louis Post-Dispatch.

But according to Jorge Riopedre, her nominator, she does much more: "What makes Shera exceptional is her willingness to connect entrepreneurs with each other." Besides reporting about small businesses, Shera helps them by building relationships between firms she believes could benefit from an alliance, he notes, adding, "it is very refreshing to see a journalist who both reports about the community in which she lives and takes an active role in making it better."

Shera developed a popular, twice-monthly feature column in addition to her regular small business reporting for the St. Louis Post-Dispatch, called "Standout Startups." The column focuses

on entrepreneurs new to business and the challenges they face. To develop her stories she networks, attending most of the St. Louis metro-area small business networking events.

Additionally, Shera volunteers as a regular speaker at the Women Entrepreneur program classes at St. Louis Community College, where she helps women entrepreneurs understand the media, get media attention, and craft their business message for the public; and speaks to journalism classes about small business reporting.

Shera started her reporting career in 1986 and since then has won several awards for her work, including a 2001 Best of the Post Award, 2000 Women in Yellow Pages Business and Networking Award, and a 1993 American City Business Journal's Eagle Award. Nominating letters point to Shera's genuine interest in entrepreneurship a good writing as the main factors to a growing and loyal readership.



2006 Region 7 SBA National Hall of Fame Nominee

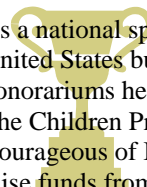
Ralph H. Palmer The Ar-Jay Center Cedar Rapids, IA 52401

Nominated by: James N. Thomson, District Director - Cedar Rapids SCORE Chapter 227, Cedar Rapids, Iowa



Ralph Palmer leads his company, The Ar-Jay Center, by example – and as a result keeps good employees and continues to grow. Ralph has practiced a hands-on management style since becoming president and owner in 1997 of a company that hired him in 1968. As he moved up the ladder after being the sixth employee hired by the small company, his knowledge of marketing, sales, employees and customers increased as well. So much so that the National Kitchen and Bath Association let him co-develop and teach a sales training seminar nationally. He has shared his wisdom as a columnist for the Kitchen and Bath Design News for 22 years.

As a national speaker on sales and motivation, Ralph travels the United States but his heart is near home. He gives the honorariums he receives for speaking to two local charities – The Children Protection Center at St. Lukes Hospital and Camp Courageous of Iowa. His charitable contributions and his time to raise funds from others netted him the National Children's Alliance Volunteer Leadership Award in 2004. Ralph was inducted into the Greater Cedar Rapids Area Homebuilders Association's Hall of Fame in 2001, the highest award the organization can bestow to recognize outstanding contributions to the association.



2006 Region 7 SBA Young Entrepreneur of the Year



Andrew Van Fleet Darning Pixels, Inc. Waterloo, IA 50703

*Nominated by: Mike Hahn, University of Northern Iowa Regional Business Center/SBDC
-On behalf of Jim Clabby - Waterloo SCORE Chapter 247. Waterloo, Iowa*

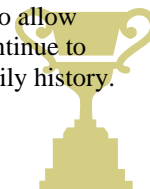
The most successful entrepreneurs are those wise enough to invest their time, energy and resources into growing their communities alongside their businesses – just like Andrew Van Fleet.

After his employer unexpectedly closed after the dot-com bust in 2000, Andy decided to create his own opportunities in his hometown rather than leaving Iowa for more lucrative career opportunities. After all, many generations of his family had lived, worked and owned businesses in Waterloo. At 25, he didn't have much cash saved to make a start. Luckily, the University of Northern Iowa Regional Business Center and Small Business Development Center were able to offer him business space in their incubator facility and SCORE counselors helped him write a business plan to develop his own fledgling company. He founded Darning Pixels, which offers full service graphic design, with print, logo, multimedia and web expertise, and has chosen to express not only verbal gratitude for the assistance, but continual gratitude for his success by helping others.

After two years in the incubator, he moved his company to an historic downtown building and recruited other businesses to

share general expenses and share his renovated space. His bold move to a downtown city block with a 60% vacancy rate exited community leaders. And, Andy became a Cedar Valley Chapter SCORE member himself to mentor other business owners who began to repopulate the block. His success continues to draw other business owners downtown.

Today, Andy serves on the board of directors of Main Street Waterloo. He frequently speaks to students attending the University of Northern Iowa's Entrepreneur Program on a variety of small business topics, and he maintains an active clientele as a SCORE counselor. His company has grown in six years to serve over 50 clients nationwide with two additional employees, with sales of more than \$130,000 and rising. Following a written company growth plan he developed with SBA-funded expert assistance, Andy expects his business to employ ten more people within the next ten years. He has a plan to continue to land clients from across the U.S. and increase his revenue, and perhaps more importantly, to continue to allow him and his wife to live in a community they will continue to improve and in which they both have family and family history.



2006 Region 7 SBA Jeffrey Butland Family-owned Business of the Year



Robert Carhart Carhart Lumber Company Wayne, NE 68787

Nominator: Loren Kucera, Director - NBDC – Wayne State College, Wayne, Nebraska

Robert Carhart is the past president and CEO, and largest stockholder, of Carhart Lumber Company, whose corporate offices are located Wayne, Nebraska. His company was founded in 1921 by his grand father, Charles Carhart, and great uncle, Arthur "Ben" Carhart. Two of Charles' sons joined the company by 1926, opening lumber yards in other Nebraska communities, one of whom was Robert's father. The company incorporated the various locations in 1936 and established its corporate headquarters in Wayne. Robert joined the company himself in 1957.

While the business has necessarily adapted over the generations to meet the needs of its evolving communities and the building industry, Carhart Lumber Company continues to focus on the core competencies of delivering full-service wholesale and retail building materials and home improvement supplies in eleven locations across the tri-state region of Nebraska, Iowa and South Dakota.

John Carhart's leadership of the company has provided a fourth generation of the family principal positions: Scott Carhart as today's president and CEO; Kimberly Carhart-Hepburn as vice-president and secretary; and John S. Carhart as treasurer and chief financial officer. Eleven members of the Carhart family service on the company's board of directors, and several more work for the company, which in total employs more than 60 people.

The company's continues to evolve and expand by increasing its product line and services based on customer needs, including "do-it-yourself" materials, and have increased net sales by 6.6% over the past three years to a projected \$19 million in 2005.

Many members of the Carhart family are involved with community activities in Wayne and with Wayne State College – where at least one Carhart family members has served on the college's foundation board for decades.

2006 Region 7 SBA Minority Small Business Champion of the Year

Brian Keith Montgomery **Minority Business Development Executive** **AmerenUE, Electric/Gas Utility** **St. Louis, MO 63166-6149**

Nominator: Jan DeYoung, Executive Director - St. Louis Enterprise Center and Director, Entrepreneurs Services, Center for Business Growth, St. Louis, Missouri



Brian Montgomery's work responsibilities include making sure small minority businesses are included in business opportunities offered by AmerenUE, an investor-owned electric and natural gas utility operating in Missouri and Illinois. For his outstanding professional accomplishments, Montgomery has achieved various awards and letters of appreciation. But beyond that, Brian has personally volunteered countless hours to improve conditions in the minority business community and increase the chances for minority companies to be hired.

Brian donates time to the St. Louis Minority Business Council and the St. Louis Council of Construction Consumers Diversity Committee, a committee working to increase minority utilization in the construction trades. He serves on panels, like the business panel for the Upward Bound Summer Program at Harris Stowe State College and the Missouri Black Caucus, and gives speeches to encourage minority business ventures. He

serves on the MOKAN Advisory Board and the Illinois Supplier Diversity Council.

At work, Brian has arranged for minority business enterprises to take professional classes at AmerenUE's in-house training facility, where he reviews their business plans and offers assistance in connecting MBEs to other corporate citizens. He personally mentored two startup MBEs in a field where no minority representation was available for contracts, and one of these companies earned more than \$1 million in 2004; the other earned \$600,000.

Brian is constantly networking in the minority community to locate MBEs with potential, and has successfully constructed, and continues to deliver an MBE inclusion program which reflects AmerenUE's desire to embrace supplier diversity within its organization and meets that desire.

2006 Region 7 SBA Financial Services Champion of the Year

Deryl K. Schuster **Business Loan Express, LLC (BLX)** **Wichita, Kansas 67203**

Nominated by: Milt Pollitt - Chairman, Wichita SCORE Chapter 143, Wichita, Kansas



Deryl Schuster, a banker by trade and a former district director and regional administrator for the U.S. Small Business Administration, has devoted more than 40 years to the promotion of services to businesses and SBA loan programs to eligible small businesses. Deryl's work activity with Business Loan Express includes promoting the small business community's access to capital to members of Congress. The company was named the most active SBA lender in 2005 in the Wichita SBA District territory, but that was the second time a company led by Deryl has achieved that recognition.

He began his career specializing in small business finance after graduating from Southwestern College. In 2002 the college inducted him into its Business Hall of Fame and he currently serves on its Advisory Council for the School of Business. Working for a number of Kansas banks over his career, Deryl has served as a past president of the Kansas Bankers Association and chairman of its Governing Council; as a past president of the American Bankers Association's Small Business Banking Committee and on its Leadership, Communications, and Government Relations Councils. In 1989, Deryl chaired the ABA's National Small Business Lending Conference.

As a past Chairman of the National Association of Government Guaranteed Lenders (NAGGL), Deryl holds a lifetime NAGGL Board position and serves on their Government Relations team.

President Reagan named Deryl as SBA's Banker Advocate of the Year in 1984, and President Clinton presented a special SBA Lifetime Achievement Award to him in 2000.

Within his community, Deryl finds time to serve as a church deacon and serves on more than seven boards of community organizations. In 1998, he received the Wichita Rotary's "Service above Self" award.

Deryl serves national and international organizations: Project Concern International, the St. Paul School of Theology; the U.S. Jaycee War Memorial Foundation, the Kansas Business Hall of Fame, and the Kansas Commission on Disability. He has been vice chairman of the United Cerebral Palsy Research Foundation since the mid-1960's and is a past chairman of its Kansas chapter.

Following his son's paralysis from the mid-chest down in a 2000 automobile accident, Deryl served on SBA's Blue Ribbon Roundtable on Entrepreneurship and Disability in 2001.

Why another award for Deryl Schuster? Deryl never stops giving quality assistance to small business owners. He never stops advocating for changes in financial services which will assist them. He continues to encourage the flow of capital to small ventures, and continues contributing, through professional and personal advocacy, to advance small business interests.

